EXHIBIT C

The Washington Post

Majority of GM Bondholders Accept Exchange Offer

By Kendra Marr
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A majority of GM bondholders agreed today to a sweetened deal to swap $27.2 billion of the automaker's debt for equity in the new GM, paving the way for quick and orderly bankruptcy proceedings.

Under orders from the Treasury Department, the company offered bondholders a 10 percent stake in the new GM, and has added to the offer warrants for another 15 percent stake. In accepting the proposal, bondholders also agreed not to oppose GM should it pursue a sale under Section 363 of the bankruptcy code, which allows the automaker to sell its assets and create a new company.

"In terms of the bankruptcy process, we expect the likely bondholder assent to smooth the process," Brian A. Johnson, a Barclays Capital analyst, said in a note.

GM is speeding toward its day of reckoning, as the automaker will likely file for bankruptcy protection tomorrow.

Last week, lenders rejected a previous offer to drop claims in exchange for a 10 percent stake in the company. GM had asked at least 90 percent of the lenders to agree.

Small individual bondholders, who represent a fifth of the $27.2 billion in unsecured debt, were shut out from voting on the offer.

The "Main Street Bondholders," representing some of those individuals, said the deal unfairly gave the United Auto Workers' retiree health-care trust fund 66 cents on the dollar, while offering bondholders 13 cents on the dollar, assuming the new GM is worth $25 billion. This group of bondholders vowed to fight back using a section of the bankruptcy code, which could give them their own standing.

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YAHOO! NEWS

AP Associated Press

GM prepares for bankruptcy protection announcement

By KIMBERLY S. JOHNSON and TOM KRISHER, AP Auto Writers Kimberly S. Johnson And Tom Krisher, Ap Auto Writers Sun May 31, 7:41 pm ET

DETROIT – With the clock ticking on a June 1 government deadline to restructure, General Motors Corp. worked feverishly Sunday to shore up its global businesses to clear the way for a speedy reorganization in bankruptcy court.

A majority of the Detroit automaker's unsecured bondholders announced they had accepted a deal viewed as crucial to reorganization, and Germany agreed to loan $2 billion to GM's German unit, Opel, as part of its acquisition by a Canadian auto parts supplier.

The moves don't change much for GM, but shore it up for a bankruptcy protection filing, said Rebecca Lindland, an auto analyst for the consulting firm IHS Global Insight.

"The more agreements GM has with its interests, the better the bankruptcy is going to go," she said. "It's not a game changer at all."

GM, part of American life for more than 100 years and once the country's largest employer, is expected to file for Chapter 11 bankruptcy protection at 8 a.m. EDT Monday, according to people familiar with the company's plans. They declined to be identified because the plans haven't been officially announced.

It would be the largest industrial bankruptcy in U.S. history, and the fourth-largest overall. In addition, a GM bankruptcy would be unprecedented as the federal government would pump billions more into the company, and take a 72.5 percent interest in the automaker.

On Sunday a group of large, institutional bondholders, representing 54 percent of GM bondholders, agreed to exchange their unsecured bonds for a 10 percent stake in a newly restructured company, plus warrants to purchase a greater share later. They had balked at an earlier offer, that gave them 10 percent of the company without the warrants.

The Treasury, which has been guiding the Detroit automaker toward a rescue plan, notified the company Sunday the response was sufficient to move forward with a pre-packaged bankruptcy filing. In a previous exchange offer, the Treasury demanded participation of 90 percent of bondholders, representing unsecured debt of $24 billion.

President Barack Obama is expected to give a speech addressing the Detroit automaker's future just before noon Monday. GM Chief Executive Fritz Henderson has scheduled a news conference in New York to directly follow the president's remarks at 12:15 p.m. EDT.

GM already has received about $20 billion in government loans and could get $30 billion more to make it through what is expected to be a 60- to 90-day reorganization in bankruptcy court.

Beyond the bankruptcy announcement Monday, GM is expected to reveal 14 plants it intends to close and name the buyer of its Hummer division.

In Germany on Sunday, the government agreed to loan GM's Opel unit $2.1 billion, a move necessary for Magna International Inc. to acquire the company.

The Canadian auto parts supplier Magna will take a 20 percent stake in Opel and Russian-owned Sberbank will take a 35 percent, giving the two businesses a majority. GM retains 35 percent of Opel, with the remaining 10 percent going to employees.

The German funds are available to Opel immediately, as it attempts to shield itself from cuts if GM files for bankruptcy protection. Opel employs 25,000 people in Germany, nearly half of GM Europe's work force. Under the deal, four factories in Germany would stay open saving jobs.

But jobs in other European countries may not be safe, Lindland said.

"As those (German) jobs are becoming protected, other jobs in other parts of Europe are put at risk," she said.

Treasury Secretary Timothy Geithner, who was traveling to China, followed the developments closely. The Treasury on Thursday offered bondholders 10 percent of a newly formed GM's stock, plus warrants to buy 15 percent more to erase the debt. Last week, GM withdrew an offer of 10 percent equity after only 15 percent of the thousands of bondholders signed up.

The current 54 percent acceptance represents only $14.6 billion, but by lining up support in advance of a bankruptcy protection filing, GM is likely to find it easier to persuade a judge to apply terms of the sweetened offer to the rest of its unsecured debt.

It could also help the automaker get through the court process more quickly, said Robert Gordon, head of the corporate restructuring and bankruptcy group at Clark Hill PLC in Detroit.

"The more consensus you have, the more likely it is you'll be able to move through the bankruptcy process in an expeditious fashion with less resistance," Gordon said.

The company made a huge stride toward restructuring Friday when the United Auto Workers union agreed to a cost-cutting deal.

GM's fate and the federal government's intervention was scrutinized on several Sunday morning talk shows.

"I think the government auto bailout was a big mistake," said Sen. Mitch McConnell, R-Ky., on CNN's "State of the Union" program. "We could have let these companies go through the bankruptcy process much earlier...without all of the additional government money, and ended up in the same place."

In a typical Chapter 11 bankruptcy case, the company files a plan of reorganization that must be voted on by creditors. In each class of creditors, the plan would have to be approved by holders of two-thirds of the claims and a majority of the number of individual creditors who vote.

But the GM case is anything but ordinary, and it appears the company will sell some or all of its assets to a new entity that would become the new GM, rather than submit a plan to reorganize the old company.

Under a so-called Section 363 sale, the prospective buyer and seller present a fully negotiated asset purchase agreement for approval by the court.

Creditors still can lodge objections, but GM could avoid the drawn-out fights between competing creditors, such as bondholders and workers, that often occur.

Chrysler LLC, which filed for bankruptcy protection April 30, chose a similar path. A judge heard three days of testimony and arguments last week over the sale of most of Chrysler's assets to Italian carmaker Fiat Group SpA.

U.S. Judge Arthur Gonzalez is expected to approve the sale Monday, pushing Chrysler closer to its goal of a speedy exit from bankruptcy protection. But an appeal is likely from three Indiana state pension and construction funds, which invested in Chrysler debt and say the deal isn't fair. That may force Chrysler to further postpone the deal's closing.

GM's stock tumbled to the lowest price in the company's 100-year history on Friday, closing at just 75 cents after trading as low as 74 cents. In a Chapter 11 bankruptcy reorganization, the shares would become virtually worthless.

AP Business Writer Harry R. Weber in Atlanta and Associated Press Writer Ken Thomas in Washington contributed to this report.